

IOWA FINANCE AUTHORITY[265]

Adopted and Filed

Rulemaking related to qualified allocation plans

The Iowa Finance Authority hereby amends Chapter 12, “Low-Income Housing Tax Credits,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 16.5.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 16.35 and Internal Revenue Code Section 42.

Purpose and Summary

The updated 2024 Qualified Allocation Plans (QAPs) set forth the purposes of the plans, administrative information required for participation, threshold criteria, selection criteria, postreservation requirements, the appeal process, and compliance-monitoring components. The plans also establish the fees for filing an application for low-income housing tax credits and for compliance monitoring. Copies of the QAPs are available upon request from the Authority and are available electronically on the Authority’s website at www.iowafinance.com. It is the Authority’s intent to incorporate the updated 2024 QAPs by reference consistent with Iowa Code chapter 17A and 265—subrules 17.4(2) and 17.12(2).

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 28, 2023, as **ARC 7043C**.

The Authority did not receive comments on the Notice but did receive comments on the draft QAP. Developers cited an increase in construction and financing costs and requested an increase in the project tax credit cap to allow easier financing for projects with 42 to 48 units. In response, the Authority increased the project tax credit cap to \$1.3 million from \$1.2 million. Developers also requested the ability to resyndicate their projects after 15 years, which was allowed in previous QAPs and is allowed by the Internal Revenue Service. Energy professionals requested consideration for higher energy efficiency scoring. The Authority agreed to make both changes.

A change from the Notice has been made to update the dates of incorporation to indicate the date that final changes to the QAPs were adopted by the Authority.

Adoption of Rulemaking

This rulemaking was adopted by the Authority on August 2, 2023.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, the impact on jobs is expected to be consistent with the impact of previous years’ QAPs. The Low-Income Housing Tax Credit Program has had a substantial

positive impact on employment in Iowa, creating many jobs annually in the construction, finance, and property management fields, among others.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on September 27, 2023.

The following rulemaking action is adopted:

ITEM 1. Amend rule 265—12.1(16) as follows:

265—12.1(16) Qualified allocation plans.

12.1(1) Four percent qualified allocation plan. The qualified allocation plan titled Iowa Finance Authority Low-Income Housing Tax Credit Program ~~2023~~ 2024 4% Qualified Allocation Plan (“4% QAP”) dated ~~December 7, 2022~~ August 2, 2023, shall be the qualified allocation plan for the allocation of 4 percent low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.35. The 4% QAP is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The 4% QAP does not include any amendments or editions created subsequent to ~~December 7, 2022~~ August 2, 2023.

12.1(2) Nine percent qualified allocation plan. The qualified allocation plan titled Iowa Finance Authority Low-Income Housing Tax Credit Program ~~2023~~ 2024 9% Qualified Allocation Plan (“9% QAP”) shall be the qualified allocation plan for the allocation of 9 percent low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.35. The 9% QAP is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The 9% QAP does not include any amendments or editions created subsequent to ~~November 2, 2022~~ August 2, 2023.

ITEM 2. Amend rule 265—12.2(16) as follows:

265—12.2(16) Location of copies of the plans.

12.2(1) 4% QAP. The 4% QAP can be reviewed and copied in its entirety on the authority's website at www.iowafinance.com. Copies of the 4% QAP, application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority's website. The 4% QAP incorporates by reference IRC Section 42 and the regulations in effect as of ~~December 7, 2022~~ August 2, 2023. Additionally, the 4% QAP incorporates by reference Iowa Code section 16.35. These documents are available from the state law library, and information about these statutes, regulations and rules is on the authority's website.

12.2(2) 9% QAP. The 9% QAP can be reviewed and copied in its entirety on the authority's website at www.iowafinance.com. Copies of the 9% QAP, the application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority's website. The 9% QAP incorporates by reference IRC Section 42 and the regulations in effect as of ~~November 2, 2022~~ August 2, 2023. Additionally, the 9% QAP incorporates

by reference Iowa Code section 16.35. These documents are available from the state law library, and information about these statutes, regulations and rules is on the authority's website.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/23/23.